

Financial Report
Terrebonne Parish Recreation District No. 10
Theriot, Louisiana
For the year ended December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/25/10

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Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2009

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 10,
Theriot, Louisiana.

We have audited the accompanying financial statements of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 10 (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 10 as of December 31, 2009, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated May 10, 2010 on our consideration of Terrebonne Parish Recreation District No. 10's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read and considered in assessing the results of our audit.

Management's Discussion and Analysis and the Schedule of Funding Progress for the OPEB plan on pages 3 through 9 and 32, respectively, are not required parts of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 10, 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 10

The Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 10's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal year 2009 by \$1,821,637 (net assets), which represents a 26.59% increase from last fiscal year.

The District restated its opening net assets by \$3,923 to recognize its liability for earned and unused vacation leave.

The District's revenues increased \$450,444 (or 82.85%) primarily due to increases in property tax revenue, intergovernmental revenue, and miscellaneous cash receipts.

The District's expenses increased \$89,323 (or 17.11%) because of increases in culture and recreation and general government expenses.

The District did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the District:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District's net assets change during

each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District is culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the District are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 9-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provide in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. As of December 31, 2009, assets exceeded liabilities by \$1,821,637. A large portion of the District's net assets (69.65%) reflects its investment in capital assets (e.g., land; buildings; improvements; office furniture, fixtures and equipment; vehicles, machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Assets

	December 31,		
	2009	2008 (Restated)	Dollar Change
Current and other assets	\$ 1,166,091	\$ 973,506	\$ 192,585
Capital assets	1,486,906	1,479,752	7,154
Total assets	<u>2,652,997</u>	<u>2,453,258</u>	<u>199,739</u>
Current and other liabilities	606,812	754,176	(147,364)
Long-term liabilities	224,548	260,095	(35,547)
Total liabilities	<u>831,360</u>	<u>1,014,271</u>	<u>(182,911)</u>
Net Assets:			
Invested in capital assets, net of related debt	1,268,846	1,227,494	41,352
Restricted	179,419	57,053	122,366
Unrestricted, restated	373,372	154,440	218,932
Total net assets	<u>\$ 1,821,637</u>	<u>\$ 1,438,987</u>	<u>\$ 382,650</u>

Current and other assets increased because of increases in cash, investments, and amounts due from other government (mainly property taxes receivable).

The amount of capital assets increased in 2009 because of capital additions including scoreboards, awnings, a rain shelter, and bleachers.

Current and other liabilities decreased as ad valorem taxes in the debt service fund were not levied for 2010. The District's accumulated vacation was previously reported erroneously by management on a "use it or lose it" basis. District policy allows vacation to be carried forward to future periods. Therefore long-term liabilities and opening net assets were restated as of December 31, 2008 to correctly account for the amount of compensated absences payable.

Governmental Activities

Governmental activities increased the District's net assets by \$382,650. Key elements of this increase are as follows:

Condensed Changes In Net Assets				
For the Year Ended December 31,				
	December 31,		Dollar	Total
	2009	2008	Change	Percent
Revenues:				
Program revenues:				
Charges for services	\$ 13,618	\$ 4,419	\$ 9,199	208.17%
General Revenues				
Taxes	689,946	471,906	218,040	46.20%
Intergovernmental	183,164	9,714	173,450	1785.57%
Miscellaneous	107,371	57,616	49,755	86.36%
Total revenues	<u>994,099</u>	<u>543,655</u>	<u>450,444</u>	82.85%
Expenses:				
General Government:	50,866	17,315	33,551	193.77%
Culture and Recreation	547,624	489,697	57,927	11.83%
Debt Service	12,959	15,114	(2,155)	-14.26%
Total expenses	<u>611,449</u>	<u>522,126</u>	<u>89,323</u>	17.11%
Increase in net assets	<u>382,650</u>	<u>21,529</u>	<u>361,121</u>	1677.37%
Net assets beginning of year				
as previously stated	1,438,987	1,421,381	17,606	1.24%
Restatement	<u>-</u>	<u>(3,923)</u>	<u>3,923</u>	100.00%
Restated	<u>1,438,987</u>	<u>1,417,458</u>	<u>21,529</u>	1.52%
Net assets end of year	<u>\$ 1,821,637</u>	<u>\$ 1,438,987</u>	<u>\$ 382,650</u>	26.59%

During the year, tax revenue increased by \$218,040 due to the recognition of revenue for millage levied for the debt service fund in 2008. Intergovernmental revenue increased by \$173,450 due to the receipt of FEMA monies for the repair of hurricane damages and a grant from Terrebonne Parish Consolidated Government (TPCG) for the District's summer camp. Miscellaneous revenue increased by \$49,755 due to insurance reimbursements for hurricane damages. General government expenses increased because of increases in the costs associated with the collection of taxes. Culture and recreation expenses increased due to increases in personal services, other services and charges, and depreciation.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$537,494, an increase of \$337,907 in comparison with the prior year. An unreserved-undesignated fund balance of \$357,902 is available for spending at the District's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to debt service.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved-undesignated fund balance of the general fund was \$357,902. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance to total fund expenditures. The fund balance of the District's General Fund increased by \$218,727 during the current fiscal year. The key factors of this increase were the increases in ad valorem taxes; FEMA; grant from TPCG. These increases were offset by increases in culture and recreation expense due to the increase in summer programs.

General Fund Budgetary Highlights

The budget was amended one time during the year. The primary reason for amending the budget were to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Ad valorem taxes increased by \$76,200 to appropriately reflect the amount of taxes recognized as revenue.
- Intergovernmental revenue increased by approximately \$200,000 to accurately reflect the receipt of FEMA grant revenue as well as a grant from TPCG.

Expenditures

- Capital expenditures increased by \$80,000 for the various capital purchases made during the year.
- Personal services increased by \$38,000 to account for additional salaries and wages that were associated with the summer camp.
- Repairs and maintenance increased by \$120,000 to account for the repair of various hurricane damages.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2009, amounts to \$1,486,906 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements; office furniture, fixtures and equipment; and vehicles, machinery and equipment (see table below).

	<u>2009</u>	<u>2008</u>
Land	\$ 21,657	\$ 21,657
Buildings	2,092,794	2,092,794
Improvements other than Buildings	539,104	471,109
Office furniture, fixtures and equipment	8,984	11,285
Vehicles, machinery and equipment	<u>289,549</u>	<u>258,210</u>
Totals	<u>\$ 2,952,088</u>	<u>\$ 2,855,055</u>

The major capital asset events during the current fiscal year were the addition of awnings, bleachers, a rain shelter, and several scoreboards.

Additional information on the District's capital assets can be found in the Note 5, Exhibit F of this report.

Long-term Obligations

At December 31, 2009, the District had \$220,000 in long-term debt outstanding which represents a decrease of \$35,000, which was the amount of 2009 principal payments on outstanding debt. Also, at December 31, 2009, the District other postemployment benefit liabilities of \$625 and accumulated vacation leave of \$3,923. More detailed information about the District's long-term obligations is presented in Notes 8 and 9, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue is budgeted to be consistent with past collections
- Interest income should track 2009 receipts.
- Swimming pool revenues should remain the same as 2009.
- Salaries and wages include a 5% pay raise for all employees in January, 2010.
- Continued repairs to the facilities are expected as a result of the 2008 hurricanes.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 10, 1657 Dr. Beatrous Road, Theriot, Louisiana 70397.

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET**Terrebonne Parish Recreation District No. 10**

December 31, 2009

	General Fund	Debt Service Fund	Total	Adjustments (Exhibit B)	Statement of Net Assets
Assets					
Cash	\$ 210,616	\$ 11,663	\$ 222,279		\$ 222,279
Investments	200,000	200,000	400,000		400,000
Receivables - taxes	16,090	-	16,090	\$ 3,688	19,778
Due from other governmental units	496,902	-	496,902	-	496,902
Due from other funds	-	1,788	1,788	(1,788)	-
Other receivables	5,174	-	5,174		5,174
Prepaid insurance	-	-	-	20,018	20,018
Deferred bond issuance costs	-	-	-	1,940	1,940
Capital assets:					
Non-depreciable	-	-	-	21,657	21,657
Depreciable, net of accumulated depreciation	-	-	-	1,465,249	1,465,249
Total assets	\$ 928,782	\$ 213,451	\$ 1,142,233	1,510,764	2,652,997
Liabilities					
Accounts payables and accrued expenditures	\$ 51,299	\$ 33,859	\$ 85,158	3,861	89,019
Due to other governmental units	3,307	-	3,307	-	3,307
Due to other funds	1,788	-	1,788	(1,788)	-
Unearned revenue	514,486	-	514,486	-	514,486
Long-term liabilities:					
Due within one year	-	-	-	40,000	40,000
Due after one year	-	-	-	184,548	184,548
Total liabilities	570,880	33,859	604,739	226,621	831,360
Fund Balances/Net Assets					
Fund balances:					
Reserved - debt service	-	179,592	179,592	(179,592)	-
Unreserved - undesignated	357,902	-	357,902	(357,902)	-
Total fund balances	357,902	179,592	537,494	(537,494)	-
Total liabilities and fund balances	\$ 928,782	\$ 213,451	\$ 1,142,233		
Net assets:					
Invested in capital assets, net of related debt				1,268,846	1,268,846
Restricted:					
Debt service				179,419	179,419
Unrestricted				373,372	373,372
Total net assets				\$ 1,821,637	\$ 1,821,637

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

Terrebonne Parish Recreation District No. 10

December 31, 2009

Fund Balances - Governmental Fund **\$ 537,494**

Amounts reported for governmental activities in
the statement of net assets are different because:

Capital assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental fund.

Governmental capital assets	\$ 2,952,088	
Less accumulated depreciation	<u>(1,465,182)</u>	1,486,906

Other assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental funds.

Prepaid insurance	20,018	
Accrued interest receivable	3,688	
Deferred bond issuance costs	2,742	
Less current year amortization	<u>(802)</u>	25,646

Long-term liabilities, including bonds payable, are
not due and payable in the current period and,
therefore, are not reported in the governmental funds.

Governmental bonds payable	(220,000)	
Other postemployment benefit obligations	(625)	
Compensated absences payable	(3,923)	
Accrued interest payable	<u>(3,861)</u>	<u>(228,409)</u>

Net Assets of Governmental Activities **\$ 1,821,637**

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2009

	General Fund	Debt Service Fund	Total	Adjustments (Exhibit D)	Statement of Activities
Revenues					
Taxes	\$ 511,351	\$ 178,595	\$ 689,946		\$ 689,946
Intergovernmental:					
State of Louisiana:					
State revenue sharing	9,117	-	9,117		9,117
FEMA	127,797	-	127,797		127,797
Terrebonne Parish Consolidated					
Government	46,250	-	46,250		46,250
Charges for services	13,618	-	13,618		13,618
Miscellaneous:					
Insurance Proceeds	-	-	-	\$ 99,205	99,205
Interest	3,802	1,348	5,150	2,572	7,722
Other	653	(209)	444	-	444
Total revenues	712,588	179,734	892,322	101,777	994,099
Expenditures/Expenses					
Current:					
General government:					
Ad valorem tax adjustment	18,799	6,046	24,845	-	24,845
Ad valorem tax deductions	19,284	6,737	26,021	-	26,021
Total general government	38,083	12,783	50,866	-	50,866
Culture and recreation:					
Personal services	216,279	-	216,279	(547)	215,732
Supplies and materials	31,193	-	31,193	-	31,193
Other services and charges	71,236	-	71,236	1,202	72,438
Repairs and maintenance	127,116	-	127,116	-	127,116
Depreciation	-	-	-	101,145	101,145
Total culture and recreation	445,824	-	445,824	101,800	547,624
Debt service:					
Principal retirement	-	35,000	35,000	(35,000)	-
Interest and fiscal charges	-	12,771	12,771	188	12,959
Total debt service	-	47,771	47,771	(34,812)	12,959
Capital outlay	109,159	-	109,159	(109,159)	-
Total expenditures/expenses	593,066	60,554	653,620	(42,171)	611,449
Excess of revenues over expenditures	119,522	119,180	238,702	143,948	382,650
Other Financing Sources					
Insurance Proceeds	99,205	-	99,205	(99,205)	-
Net Change in Fund Balance	218,727	119,180	337,907	(337,907)	-
Change in Net Assets	-	-	-	382,650	382,650
Fund Balances/Net Assets					
Beginning of year, restated	139,175	60,412	199,587	1,239,400	1,438,987
End of year	\$ 357,902	\$ 179,592	\$ 537,494	\$ 1,284,143	\$ 1,821,637

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2009

Net Change in Fund Balances - Governmental Funds **\$ 337,907**

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 109,159	
Depreciation expense	(101,145)	
Loss on disposal of assets	<u>(860)</u>	7,154

The issuance of long-term debt provides current financial resources
to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of
governmental funds. Neither transaction, however, has any
effect on net assets. Also, governmental funds report the effect
of issuance costs, premiums, discounts and similar items when
debt is first issued, whereas these amounts are deferred and
amortized in the statement of activities.

Principal payments	35,000	
Amortization of deferred bond issuance costs	<u>(802)</u>	34,198

Some expenditures reported in the statement of activities do not require
the use of current financial resources and, therefore, are not reported
as expenditures in governmental funds.

Decrease in other postemployment benefit obligations	547	
Increase in accrued interest receivable	2,572	
Decrease in accrued interest payable	<u>614</u>	3,733

Some expenditures reported in the governmental funds require the use of
current financial resources and are not reported as expenses in
the statement of activities.

Decrease in prepaid insurance		<u>(342)</u>
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Change in Net Assets of Governmental Activities **\$ 382,650**

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues				
Taxes	\$ 400,000	\$ 476,200	\$ 511,351	\$ 35,151
Intergovernmental:				
State of Louisiana:				
State revenue sharing	9,000	9,100	9,117	17
FEMA	-	154,045	127,797	(26,248)
Terrebonne Parish Consolidated Government	-	46,250	46,250	-
Charges for services	4,000	13,700	13,618	(82)
Miscellaneous:				
Interest	5,000	3,800	3,802	2
Other	100	200	653	453
Total revenues	<u>418,100</u>	<u>703,295</u>	<u>712,588</u>	<u>9,293</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	-	-	18,799	(18,799)
Ad valorem tax deductions	-	-	19,284	(19,284)
Total general government	<u>-</u>	<u>-</u>	<u>38,083</u>	<u>(38,083)</u>
Culture and recreation:				
Personal services	175,100	213,100	216,279	(3,179)
Supplies and materials	25,800	34,300	31,193	3,107
Other services and charges	51,700	75,000	71,236	3,764
Repairs and maintenance	40,000	160,000	127,116	32,884
Total culture and recreation	<u>292,600</u>	<u>482,400</u>	<u>445,824</u>	<u>36,576</u>
Capital outlay	-	80,000	109,159	(29,159)
Total expenditures	<u>292,600</u>	<u>562,400</u>	<u>593,066</u>	<u>(30,666)</u>
Excess of Revenues				
Over Expenditures	125,500	140,895	119,522	(21,373)
Other Financing Sources				
Insurance proceeds	-	99,205	99,205	-
Net Change in Fund Balance	125,500	240,100	218,727	(21,373)
Fund Balance				
Beginning of year	<u>219,350</u>	<u>139,175</u>	<u>139,175</u>	<u>-</u>
End of year	<u>\$ 344,850</u>	<u>\$ 379,275</u>	<u>\$ 357,902</u>	<u>\$ (21,373)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Recreation District No. 10

December 31, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 10 (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2009.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements (individual major funds).

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. As of general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (continued)

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on the major funds in governmental categories. The daily accounts and operations of the District continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs and is reported as a major fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recorded as revenue in the period for which levied. Thus, the 2009 property taxes which are being levied to finance the 2010 budget will be recognized as revenue in 2010. The 2009 tax levy is recorded as deferred revenue in the District's 2009 Financial Statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District or an intermediary collecting agency because they are generally not measurable or available until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget one time during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Investments

Investments consist of certificates of deposit which are stated at cost and approximates market value.

h) Prepaid Insurance

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

i) Deferred Bond Issuance Costs

The District has recorded deferred bond issuance costs in its government-wide financial statements. Deferred bond issuance costs are amortized over the term of the related debt.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 40 years
Improvements other than buildings	10 - 25 years
Autos and trucks	5 years
Machinery and equipment	5 - 20 years
Office furniture, fixtures and equipment	5 - 12 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of general obligation bonds and postemployment healthcare benefits.

Fund Financial Statements:

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures. Postemployment benefits are reported on a pay as you go basis, accordingly an expenditure is recognized when a current liability is incurred.

l) Vacation and Sick Leave

The District's policies regarding vacation and sick leave permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Employees of the District can earn 96 hours or 136 hours of vacation leave, depending on their length of employment. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that any annual leave, in excess of one year's earnings, remaining on the employees anniversary date will be transferred to sick leave. Hours forfeited are transferred to retirement for participants of the Parochial Employees' Retirement System. There is no material accumulated vacation at December 31, 2009.

Employees of the District earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Upon retirement, sick leave is paid to employees at one half of their accumulated sick leave to a maximum of 240 hours. There is no accumulated sick leave at December 31, 2009.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Vacation and Sick Leave (continued)

The District's accumulated vacation was previously reported erroneously by management on a "use it or lose it" basis. District policy allows vacation to be carried forward to future periods in a manner described in the preceding paragraphs. Accordingly, a restatement of net assets as of the beginning of the current period is required by generally accepted accounting principles as follows:

	<u>Net Assets</u>
Beginning of the year, as previously stated	\$ 1,442,910
Compensated absences payable	<u>(3,923)</u>
Beginning of the year, restated	<u>\$ 1,438,987</u>

m) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Fund Equity (continued)

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designations of fund balance represent tentative management plans subject to change.

n) Expenditures Exceeding Appropriations

The General Fund expenditures exceeded appropriations by \$30,666.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

State law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 227,599	\$ 222,279
Investments:		
Certificates of Deposit	<u>400,000</u>	<u>400,000</u>
Totals	<u>\$ 627,599</u>	<u>\$ 622,279</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2009, \$150,000 of the District's bank balance of \$627,599 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held

Note 2 - DEPOSITS (Continued)

by the pledging financial institution's trust department or agent, but not in the District's name.

At December 31, 2009, deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2009 was \$11.45 per \$1,000 of assessed valuation on property within Recreation District No. 10 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c), taxes levied November 1, 2009 are for budgeted expenditures in 2010 and will be recognized as revenues in 2010.

Exhibit F
(Continued)

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2009 consisted of the following:

	General Fund
State of Louisiana - State revenue sharing	\$ 5,818
Terrebonne Parish Tax Collector - December, 2009 collections remitted to the District in January, 2010:	
Ad valorem taxes	488,175
State revenue sharing	2,909
Total	<u>\$ 496,902</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009
Capital assets not being depreciated:				
Land	\$ 21,657			\$ 21,657
Capital assets being depreciated:				
Buildings	2,092,794			2,092,794
Improvements other than building	471,109	\$ 67,995		539,104
Auto and trucks	18,707	-		18,707
Machinery and equipment	239,503	39,164	\$ 7,825	270,842
Office furniture, fixtures and equipment	11,285	2,000	4,301	8,984
Total capital assets being depreciated	<u>2,833,398</u>	<u>109,159</u>	<u>12,126</u>	<u>2,930,431</u>
Less accumulated depreciation for:				
Buildings	(1,016,498)	(56,966)	-	(1,073,464)
Improvements other than building	(212,688)	(28,171)	-	(240,859)
Auto and trucks	(18,707)	-	-	(18,707)
Machinery and equipment	(116,125)	(15,958)	6,966	(125,117)
Office furniture, fixtures and equipment	(11,285)	(50)	4,300	(7,035)
Total accumulated depreciation	<u>(1,375,303)</u>	<u>(101,145)</u>	<u>11,266</u>	<u>(1,465,182)</u>
Total capital assets being depreciated, net	<u>1,458,095</u>	<u>8,014</u>	<u>860</u>	<u>1,465,249</u>
Total capital assets, net	<u>\$ 1,479,752</u>	<u>\$ 8,014</u>	<u>\$ 860</u>	<u>\$ 1,486,906</u>

Exhibit F
(Continued)

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at December 31, 2009 consisted of the following:

	General Fund	Debt Service Fund	Total
Governmental activities			
Vendors	\$ 1,723		\$ 1,723
Protest taxes	<u>49,576</u>	<u>\$ 33,859</u>	<u>83,435</u>
Total governmental activities	51,299	33,859	85,158
Accrued interest on long-term debt	<u>-</u>	<u>3,861</u>	<u>3,861</u>
Total accounts payable and accrued expenditures	<u>\$ 51,299</u>	<u>\$ 37,720</u>	<u>\$ 89,019</u>

Note 7 - DUE TO/FROM OTHER FUNDS

Due to/from other funds are listed by fund for the year ended December 31, 2009:

	Receivable Fund	Payable Fund
General Fund		\$ 1,788
Debt Service Fund	\$ 1,788	

The balances above resulted from the prior years' protest taxes and liability amounts of taxes not being transferred from the General Fund to the Debt Service Fund.

Note 8 - LONG-TERM OBLIGATIONS

The following is a summary of changes of long term obligations of the District for the year ended December 31, 2009:

	Payable January 1, 2009	Obligations		Payable December 31, 2009	Due within One Year
		Retired	Generated		
General obligation bonds	\$ 255,000	\$ 35,000		\$ 220,000	\$ 40,000
Compensated absences	3,923	-	\$ -	3,923	-
Other postemployment benefits	<u>1,172</u>	<u>-</u>	<u>(547)</u>	<u>625</u>	<u>-</u>
	<u>\$ 260,095</u>	<u>\$ 35,000</u>	<u>\$ (547)</u>	<u>\$ 224,548</u>	<u>\$ 40,000</u>

Note 8 - LONG-TERM OBLIGATIONS (Continued)

Compensated absences are described in Note 1 I).

Other postemployment healthcare benefits are described in Note 9.

At December 31, 2009, the District had general obligation bonds outstanding totaling \$220,000 bearing interest at a rate of 5.25% over the life of the bonds. The bonds are repayable through March 1, 2014 primarily from ad valorem tax revenues.

The annual requirements to amortize all long-term debt outstanding at December 31, 2009 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 40,000	\$ 10,500	\$ 50,500
2011	40,000	8,400	48,400
2012	45,000	6,168	51,168
2013	45,000	3,806	48,806
2014	<u>50,000</u>	<u>1,313</u>	<u>51,313</u>
Totals	<u>\$220,000</u>	<u>\$ 30,187</u>	<u>\$250,187</u>

Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Board of Commissioners. The District funds the entire premium for all benefits on all employees. For employees retiring before January 1, 2005 the District funded the premiums for employees retiring with at least ten years of service upon retiring from the formal retirement systems and will participate in the cost at the applicable single rates. District employees retiring with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule as adopted for retirements on or after January 1, 2005: 11 to 15 years of service, 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service between 16 and 20; 21 years or more of service, 60% plus 5% per year of service over 20, limited to 85% of the premium. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Parochial Employees' Retirement System, see Note 11. The District does not issue a publicly available financial report on the Plan.

Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funding Policy

The District fully funds required premiums based on pay-as-you-go financing requirements. For fiscal year 2009 the District did not pay any premiums for the retirees.

Annual OPEB Cost and Net OPEB Obligation

In fiscal year 2009 the District recognized a net other postemployment benefit (OPEB) obligation for covered postemployment healthcare benefits in accordance with the provisions of GASB Statement No. 45, *Accounting for Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). GASB 45 was implemented prospectively with zero net obligation at transition. The District's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District's annual OPEB cost for the transition year is equal to the net OPEB obligation.

Annual required contribution (ARC)	\$	18
Interest on net OPEB obligation		26
Adjustment to ARC		(591)
Decrease in net OPEB obligation		(547)
Beginning of year		1,172
End of the year	\$	625

The District's annual OPEB cost, the percentage of annual OPEB premiums paid, and the net OPEB obligation as of December 31, 2009 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
12/31/2007	\$ 586	0.0%	\$ 586
12/31/2008	586	0.0%	586
12/31/2009	(547)	0.0%	(547)
			\$ 625

The net OPEB obligation is reported as follows:

Non-current liabilities:	
Due in more than one year	\$ 625

Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$263. Covered payroll for eligible employees was \$4,519 and the total UAAL represents 5.8 percent of covered payroll.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees and retirees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. The actuarial calculations reflect a long-term perspective.

In the January 1, 2008, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return and an annual medical cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 6 percent after eight years. The dental cost trend was initially 6 percent, reduced by decrements to an ultimate rate of 3.5 percent after five years. Zero trend was assumed for valuing life insurance. As of the valuation date, the District only pays required insurance premiums directly from District resources, accordingly there are no plan assets, hence no need for an actuarial value of assets. The UAAL is being amortized as a level percent of payroll on a closed basis. The remaining amortization period at January 1, 2008 was 29 years.

Note 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability, workers' compensation, group insurance and auto insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District pays monthly premiums to the Parish for general liability based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The premiums for auto liability are based on claims experience, vehicle type and mileage. The Parish handles all claims filed against the District for which it has insurance coverage under the Parish. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$6,500,000
Workers' Compensation	Statutory
Auto Liability	\$6,500,000

Coverage for general liability and workers compensation claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$1,367,248 at December 31, 2008, then secondly by the District. The Parish is self-insured for the first \$125,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2008 was \$14,918,909. Insurance contracts cover the excess liability, up to \$1,000,000 on individual claims. Each covered employee is subject to a lifetime maximum claims limit of \$1,000,000. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, \$4,817,891 at December 31, 2008, then secondly by the District or the employee for individual claims in excess of \$1,000,000. At December 31, 2009 the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverages during the year ended December 31, 2009 totaled \$33,001.

Note 11 - DEFINED BENEFIT PENSION PLAN

Plan Description - The District contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS), which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 205 of the 1952 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes, 11:1901 through 11:2015, specifically, and other general law of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana, 70898-4619.

Funding Policy - Plan members are required to contribute 3.00% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 5.75% of annual payroll. In addition, the System also receives a percentage of tax revenues from various taxing bodies. The contribution requirements of plan members and the District are established and may be amended by state statute. The District's contributions to the System for the years ending December 31, 2009, 2008 and 2007 were \$4,760, \$4,154, and \$3,901, respectively, equal to the required contributions for each year.

Note 12- COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2009:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Arthur Bishop	7	\$ 160
Richard Breaux	7	175
Daniel Constant	11	275
Shirley Liner	10	235
Burtman Poiencot	12	285
Shawny Neil	10	235
Wayne Theriot	12	<u>285</u>
Total		<u>\$1,650</u>

Note 13- SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 10, 2010, 2009, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN**Terrebonne Parish Fire District 9**

December 31, 2009

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered payroll	UAAL as a Percentage of Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
1/1/2007	-	1,481	1,481	0.00%	22,500	6.6%
1/1/2008	-	263	263	0.00%	4,519	5.8%

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 10,
Theriot, Louisiana.

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Terrebonne Parish Recreation District No. 10 (the District) as of and for the year ended December 31, 2009, which collectively comprise District's financial statements and have issued our report thereon dated May 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Commissioners, management, the Legislative Auditor for the State of Louisiana and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 10, 2010.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2009

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiencies identified that are not
 considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

b) Federal Awards

Terrebonne Parish Recreation District No. 10 did not expend federal awards in excess of \$500,000 during the year ended December 31, 2009.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2009.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2009

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2008.
No reportable conditions were reported during the audit for the year ended December 31, 2008.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2008.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 10 did not expend federal awards during the year ended December 31, 2008.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2008.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2009

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2009.

No significant deficiencies were reported during the audit for the year ended December 31, 2009.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2009.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 10 did not expend federal awards in excess of \$500,000 during the year ended December 31, 2009.

Section III Management Letter

- 09-1 **Condition** – Louisiana Revised Statute 43:171-177 requires that minutes, ordinances, resolutions, budgets and other official proceedings of the governing authority must be published in an official journal. The District did not publish its minutes and budgets in an official journal on a consistent and timely basis.

Recommendation – We recommend that the District publish its minutes and budgets in an official journal on a consistent and timely basis.



Bourgeois Bennett

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 10,
Theriot, Louisiana.

We have audited the basic financial statements of the Terrebonne Parish Recreation District No. 10 (the District), as of and for the year ended December 31, 2009, and have issued our report thereon dated May 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. In planning and performing our audit, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control.

However, during our audit we became aware of one matter, which represents an opportunity for strengthening internal controls and immaterial noncompliance with certain provisions of laws, regulations, contracts and grants. The memorandum that accompanies this letter summarizes our suggestion and recommendation regarding that matter. We previously reported on the District's internal control and compliance in our report dated May 10, 2010. This letter does not affect our report dated May 10, 2010 on the basic financial statements of the District.

We will review the status of this comment during our next audit engagement. We have already discussed the comment and recommendation with the District, and we will be pleased to discuss it in further detail at your convenience, to perform an additional study of the matter or to assist you in implementing the recommendation.

Sincerely,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 10, 2010.

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Phone (985) 447-5243

MANAGEMENT COMMENTS

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2009

09-1 **Condition** – Louisiana Revised Statute 43:171-177 requires that minutes, ordinances, resolutions, budgets and other official proceedings of the governing authority must be published in an official journal. The District did not publish its minutes and budgets in an official journal on a consistent and timely basis.

Recommendation – We recommend that the District publish its minutes and budgets in an official journal on a consistent and timely basis.